



WICHITA STATE
UNIVERSITY

*CENTER FOR COMMUNITY SUPPORT
AND RESEARCH*

Health Homes Webinar Series: Payment Structure – SPA 1 & 2

Melissa Warfield

KDHE Division of Health Care Finance

March 25, 2014

Welcome!

- The Health Home Webinar Series is presented to highlight tools and resources available to potential Health Home Partners
- Posted on the KanCare website for future reference
- Thank you for calling in! All caller phones are muted for the duration of the presentation.
- Enter questions via “Question” box on your screen



Agenda

Review Health Home Payment Methodology –
Melissa Warfield, KDHE DHCF

Q & A – Melissa & MCO Representatives

Purposes for Today

- Participants will have an increased knowledge of:
 - The basic payment structure & payment principles for the Health Homes initiative
 - The four levels of payment rates and the payment methodology behind them
 - The frequency with which rates will be reviewed and/or adjusted

Basic Payment Structure & Payment Principles

Health Homes Program Manual (SMI)

- This draft focused on State Plan Amendment 1 (SPA 1) for Serious Mental Illness (SMI)
- SPA 2 Manual for Chronic Conditions (CC) still pending
- To follow review of the actual document, visit http://www.kancare.ks.gov/health_home/providers_materials.htm

KanCare Website



Latest News – Upcoming Events
Meetings for Members with Serious Health Conditions
I/DD Waiver Services' Incorporation into KanCare
Open Enrollment for Members with Jan. 1 Anniversary
Important message for Members (Video)

[About Us](#) | [News](#) | [Workgroups/Council](#) | [I/DD](#) | [Health Plans](#) | [Contact Us](#)


Medicaid for Kansas

KanCare Consumer Assistance: 1-866-305-5147

Consumers


- Benefits & Services
- Apply for Medicaid/KanCare
- Choosing a KanCare Health Plan
- Events
- Frequently Asked Questions
- ...More

Providers


- Become a KanCare Provider
- Frequently Asked Questions
- Events
- KanCare Health Plan Information
- Pharmacy
- Provider Billing Information

Policies & Reports


- Medical Assistance Reports
- KanCare Quality Measurement
- Health Homes in KanCare**
- Readiness Activities
- Delivery System Reform Incentive
- Annual and Quarterly Reports

About Us

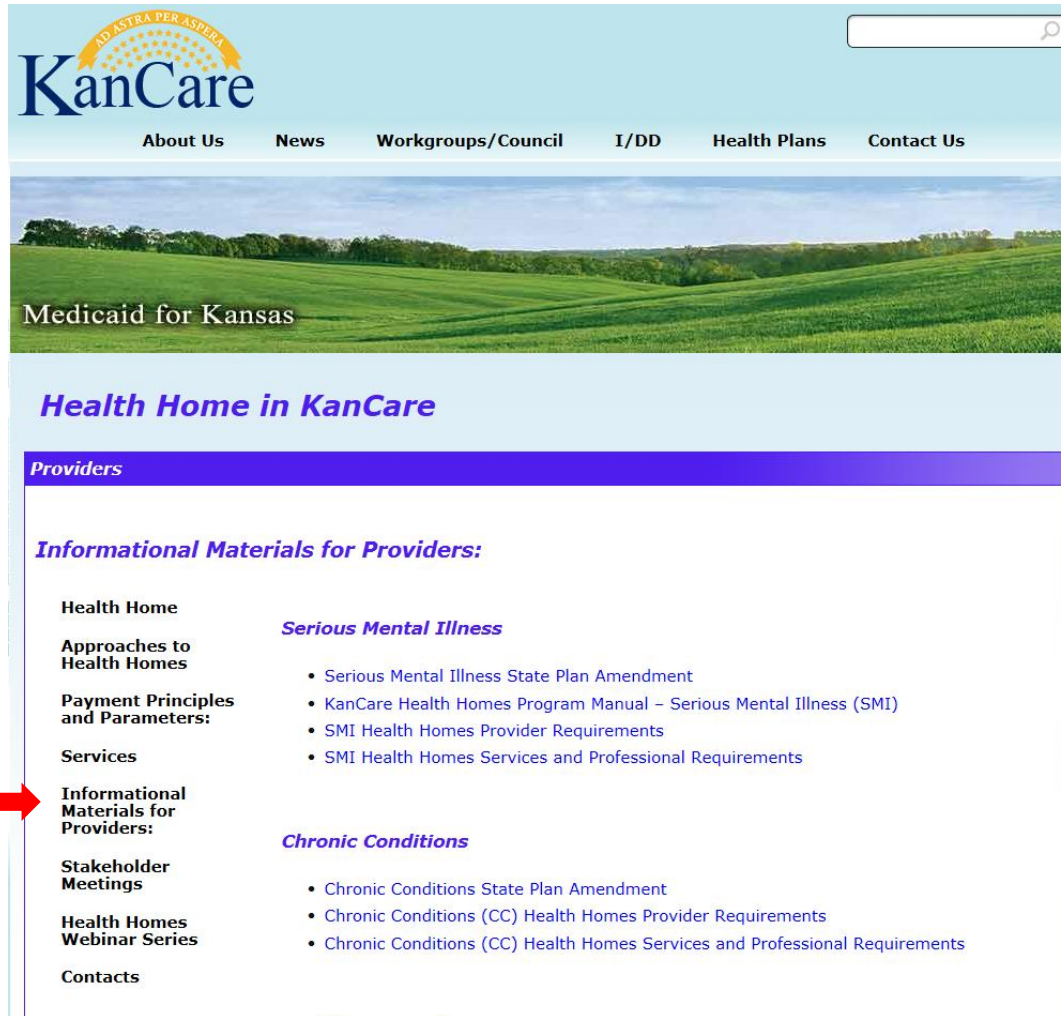

- What is KanCare?
- Kansas Medicaid Reform
- Sect. 1115 Waiver and Comments
- News
- Advisory Council & Workgroups
- Frequently Asked Questions

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KanCare Website



KanCare Website



The screenshot shows the KanCare website header with the logo and navigation links: About Us, News, Workgroups/Council, I/DD, Health Plans, and Contact Us. Below the header is a banner image of a green field with the text "Medicaid for Kansas". The main content area is titled "Health Home in KanCare" and contains a section for "Providers". A red arrow points to the "Informational Materials for Providers:" link in the left sidebar.

Providers

Informational Materials for Providers:

- Health Home
- Approaches to Health Homes
- Payment Principles and Parameters:
- Services
- Informational Materials for Providers:**
- Stakeholder Meetings
- Health Homes Webinar Series
- Contacts

Serious Mental Illness

- Serious Mental Illness State Plan Amendment
- KanCare Health Homes Program Manual – Serious Mental Illness (SMI)
- SMI Health Homes Provider Requirements
- SMI Health Homes Services and Professional Requirements

Chronic Conditions

- Chronic Conditions State Plan Amendment
- Chronic Conditions (CC) Health Homes Provider Requirements
- Chronic Conditions (CC) Health Homes Services and Professional Requirements

Basic Payment Structure

- Each MCO will be paid a retrospective per member/per month (PMPM) payment for each member enrolled in a Health Home, once a service is delivered.
- One payment PMPM, regardless of number of services provided in a month.
- If no Health Home services are provided in a month, no payment is made.

Basic Payment Structure

- MCO will contract with Health Home Partners (HHP) to provide some or all of the six core Health Home services.
- Number and type of services will be negotiated and described in the contract between MCO and HHP
- Payment from MCO to HHP likely a PMPM, but other arrangements can be negotiated (pending KDHE approval).

Payment Principles

1. State Health Home payments to MCOs are structured to be adequate in ensuring quality services are sustainable.
2. MCO payments to HHPs will be structured to be adequate in ensuring quality services are sustainable.
3. State Health Home payments to the MCOs are actuarially sound.

Rate Development Process

- State used a four “level” approach to capture different levels of need.
- Levels of need were created by combining KanCare Rate Cohorts that contain members who are similar in their utilization of case management and other services.
- KanCare Rate Cohorts are groups of members who are similar in their eligibility category and overall utilization of services.

Serious Mental Illness

KanCare Rate Cohort Level 1 (SMI)

Autism Non Dual	Level 1
Foster Care/Adoption Non Dual M & F <1	Level 1
Foster Care/Adoption Non Dual M & F 1 - 6	Level 1
Medically Needy Aged, Blind, and Disabled Dual M & F < 65	Level 1
Mental Health Nursing Facility	Level 1
Refugees Non Dual All Ages M & F	Level 1
Spend Down Medically Needy Aged, Blind, and Disabled Dual M & F < 65	Level 1
Spend Down Medically Needy Aged, Blind, and Disabled M & F Dual 65+	Level 1
SSI Aged, Blind, and Disabled Dual M & F 22 - 44	Level 1
SSI Aged, Blind, and Disabled Dual M & F 45 - 64	Level 1
SSI Aged, Blind, and Disabled Dual M & F 65+	Level 1
SSI Aged, Blind, and Disabled Non Dual M & F < 1	Level 1
TA	Level 1
TAF & PLE 1 - 5	Level 1
TAF & PLE 6 - 14	Level 1
Working Disabled M & F All Ages	Level 1

(NOTE: “Dual” and “Non Dual” refer to whether or not the cohort also has Medicare coverage.)

KanCare Rate Cohort Level 2 (SMI)

Breast and Cervical Cancer	Level 2
Foster Care/Adoption Non Dual M & F 13 - 17	Level 2
Foster Care/Adoption Non Dual M & F 7 - 12	Level 2
LTC Dual	Level 2
SSI Aged, Blind, and Disabled Non Dual M & F 1 - 5	Level 2
TAF & PLE 15 - 21 F	Level 2
TAF & PLE 15 - 21 M	Level 2
TAF 22 - 29 F	Level 2
TAF 22 - 34 M	Level 2
TAF 30 - 34 F	Level 2
TAF 35 +	Level 2

(NOTE: “Dual” and “Non Dual” refer to whether or not the cohort also has Medicare coverage.)

KanCare Rate Cohort Level 3 (SMI)

Foster Care/Adoption Non Dual M & F 18 - 21	Level 3
Medically Needy Aged, Blind, and Disabled Non Dual M & F < 65	Level 3
Medically Needy Families Non Dual All Ages M&F	Level 3
PLE Pregnant Woman < 30	Level 3
PLE Pregnant Woman 30+	Level 3
SED	Level 3
Spend Down Medically Needy Non Dual	Level 3
SSI Aged, Blind, and Disabled Dual M & F < 22	Level 3
SSI Aged, Blind, and Disabled Non Dual M & F 22 - 44	Level 3
SSI Aged, Blind, and Disabled Non Dual M & F 45 - 64	Level 3
SSI Aged, Blind, and Disabled Non Dual M & F 6 - 21	Level 3
TAF & PLE < 1	Level 3

(NOTE: "Dual" and "Non Dual" refer to whether or not the cohort also has Medicare coverage.)

KanCare Rate Cohort Level 4 (SMI)

Child Institution Non Dual All Ages M & F	Level 4
Developmentally Disabled Dual < 45	Level 4
Developmentally Disabled Dual 45+	Level 4
Developmentally Disabled Non Dual	Level 4
LTC Non Dual	Level 4
Medically Needy Aged, Blind, and Disabled M & F Dual 65+	Level 4
TBI	Level 4
WORK	Level 4

(NOTE: “Dual” and “Non Dual” refer to whether or not the cohort also has Medicare coverage.)

SMI Health Home Rates

- Other considerations:
 - Target population criteria
 - Professional costs
 - Service utilization
 - Non-medical loading, or administrative costs

Professional Costs (SMI)

Centered around
staffing of the Home
Health Team:

- Physician
- Psychiatrist
- Nurse Care Coordinator
- Social Worker
- Peer support specialist



Service Utilization

- Rates developed under the assumption that a payment will only be made once a service is utilized.
- Paid regardless of how many services used in a month.

SMI Health Home Staffing Cost

Physician/BH Professional or Specialist

Professional	Service	Cost/Visit
Physician/BH Professional		
	Comprehensive Care Management	\$ 125.00
	Health Promotion	\$ 50.00
	Comprehensive Transitional Care	\$ 125.00

Nurse Coordinator/Social Worker/Peer Support Specialist

Burden Rate	28.00%
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Professional	Service	Salary	Burden Rate	Total Compensation	Distribution ¹	Total Cost	Cost/Hour ²
Nurse Care Coordinators							
	Comprehensive Care Management	\$ 80,720	28.00%	\$ 112,111	30%	\$ 33,633	\$ 17.52
	Care Coordination	\$ 80,720	28.00%	\$ 112,111	30%	\$ 33,633	\$ 17.52
	Health Promotion	\$ 80,720	28.00%	\$ 112,111	50%	\$ 56,056	\$ 29.20
	Comprehensive Transitional Care	\$ 80,720	28.00%	\$ 112,111	30%	\$ 33,633	\$ 17.52
	Individual and Family Support	\$ 80,720	28.00%	\$ 112,111	10%	\$ 11,211	\$ 5.84
	Referral to Community and Support Services	\$ 80,720	28.00%	\$ 112,111	10%	\$ 11,211	\$ 5.84
Social Workers							
	Comprehensive Care Management	\$ 54,890	28.00%	\$ 76,236	70%	\$ 53,365	\$ 27.79
	Care Coordination	\$ 54,890	28.00%	\$ 76,236	70%	\$ 53,365	\$ 27.79
	Health Promotion	\$ 54,890	28.00%	\$ 76,236	50%	\$ 38,118	\$ 19.85
	Comprehensive Transitional Care	\$ 54,890	28.00%	\$ 76,236	70%	\$ 53,365	\$ 27.79
	Individual and Family Support	\$ 54,890	28.00%	\$ 76,236	20%	\$ 15,247	\$ 7.94
	Referral to Community and Support Services	\$ 54,890	28.00%	\$ 76,236	20%	\$ 15,247	\$ 7.94
Peer Support Specialist							
	Individual and Family Support	\$ 15,080	28.00%	\$ 20,944	70%	\$ 14,661	\$ 7.64
	Referral to Community and Support Services	\$ 15,080	28.00%	\$ 20,944	70%	\$ 14,661	\$ 7.64

¹ Distribution of professionals between services.

² Assumes 48 working weeks in the year at 40 hours/week. This includes 10 days of paid time off and 10 Federal holidays.

SMI Health Home Cost per Visit/Hour

Service	Cost/Visit or Cost/Hour
Comprehensive Care Management	
<i>Cost/Visit</i>	\$ 125.00
<i>Cost/Hour</i>	\$ 45.31
Care Coordination	\$ 45.31
Health Promotion	
<i>Cost/Visit</i>	\$ 50.00
<i>Cost/Hour</i>	\$ 49.05
Comprehensive Transitional Care	
<i>Cost/Visit</i>	\$ 125.00
<i>Cost/Hour</i>	\$ 45.31
Individual and Family Support	\$ 21.42
Referral to Community and Support Services	\$ 21.42

Non-medical Loading (Administrative Costs)

- Measures the dollars associated with components such as administration, profit, IT, costs associated with electronic health records (EHR), and telephone calls as a percentage of the Health Home rate.

SMI Health Home Rate Level	Non-Medical %	Non-Medical PMPM
Level 1	12.00%	\$14.06
Level 2	12.00%	\$18.42
Level 3	12.00%	\$22.22
Level 4	12.00%	\$39.30

SMI Health Home PMPM Rate (7/1/14)

Level	Rate	Population Distribution
Level 1	\$ 117.21	27.01%
Level 2	\$ 153.51	32.09%
Level 3	\$ 185.17	30.27%
Level 4	\$ 327.48	10.63%
<i>Average</i>	\$ 171.79	

Chronic Conditions

KanCare Rate Cohort Level 1 (CC)

Breast and Cervical Cancer	Level 1
Foster Care/Adoption Non Dual M & F 1 - 6	Level 1
Foster Care/Adoption Non Dual M & F 13 - 17	Level 1
Foster Care/Adoption Non Dual M & F 7 - 12	Level 1
Medically Needy Families Non Dual All Ages M&F	Level 1
Mental Health Nursing Facility	Level 1
PLE Pregnant Woman 30+	Level 1
Refugees Non Dual All Ages M & F	Level 1
Spend Down Medically Needy Aged, Blind, and Disabled Dual M & F < 65	Level 1
Spend Down Medically Needy Aged, Blind, and Disabled M & F Dual 65+	Level 1
SSI Aged, Blind, and Disabled Dual M & F 45 - 64	Level 1
SSI Aged, Blind, and Disabled Dual M & F 65+	Level 1
TAF & PLE 1 - 5	Level 1
TAF & PLE 15 - 21 F	Level 1
TAF & PLE 15 - 21 M	Level 1
TAF & PLE 6 - 14	Level 1
TAF 22 - 29 F	Level 1
TAF 22 - 34 M	Level 1
TAF 30 - 34 F	Level 1
TAF 35 +	Level 1

(NOTE: “Dual” and “Non Dual” refer to whether or not the cohort also has Medicare coverage.)

KanCare Rate Cohort Level 2 (CC)

Foster Care/Adoption Non Dual M & F <1	Level 2
Foster Care/Adoption Non Dual M & F 18 - 21	Level 2
Medically Needy Aged, Blind, and Disabled Dual M & F < 65	Level 2
Medically Needy Aged, Blind, and Disabled M & F Dual 65+	Level 2
Medically Needy Aged, Blind, and Disabled Non Dual M & F < 65	Level 2
PLE Pregnant Woman < 30	Level 2
Spend Down Medically Needy Non Dual	Level 2
SSI Aged, Blind, and Disabled Dual M & F 22 - 44	Level 2
SSI Aged, Blind, and Disabled Non Dual M & F < 1	Level 2
SSI Aged, Blind, and Disabled Non Dual M & F 1 - 5	Level 2
SSI Aged, Blind, and Disabled Non Dual M & F 22 - 44	Level 2
SSI Aged, Blind, and Disabled Non Dual M & F 45 - 64	Level 2
SSI Aged, Blind, and Disabled Non Dual M & F 6 - 21	Level 2
TAF & PLE < 1	Level 2
Working Disabled M & F All Ages	Level 2

(NOTE: “Dual” and “Non Dual” refer to whether or not the cohort also has Medicare coverage.)

KanCare Rate Cohort Level 3 (CC)

Autism Non Dual	Level 3
LTC Dual	Level 3
LTC Non Dual	Level 3
SED	Level 3
SSI Aged, Blind, and Disabled Dual M & F < 22	Level 3
WORK	Level 3

(NOTE: “Dual” and “Non Dual” refer to whether or not the cohort also has Medicare coverage.)

KanCare Rate Cohort Level 4 (CC)

Child Institution Non Dual All Ages M & F	Level 4
Developmentally Disabled Dual < 45	Level 4
Developmentally Disabled Dual 45+	Level 4
Developmentally Disabled Non Dual	Level 4
TA	Level 4
TBI	Level 4

(NOTE: “Dual” and “Non Dual” refer to whether or not the cohort also has Medicare coverage.)

CC Health Home Rates

- Other considerations:
 - Target population criteria
 - Professional costs
 - Service utilization
 - Non-medical loading, or administrative costs

Professional Costs (CC)

Centered around
staffing of the Home
Health Team:

- Physician
- Nurse Care Coordinator
- Social Worker



Service Utilization

- Rates developed under the assumption that a payment will only be made once a service is utilized.
- Paid regardless of how many services used in a month.

CC Health Home Staffing Cost

Physician							
Professional	Service	Cost/Visit					
Physician							
	Comprehensive Care Management	\$ 125.00					
	Health Promotion	\$ 50.00					
	Comprehensive Transitional Care	\$ 125.00					
Nurse Coordinator/Social Worker			Burden Rate	28.00%			
Professional	Service	Salary	Burden Rate	Total Compensation	Distribution ¹	Total Cost	Cost/Hour ²
Nurse Care Coordinators							
	Comprehensive Care Management	\$ 80,720	28.00%	\$ 112,111	90%	\$ 100,900	\$ 52.55
	Care Coordination	\$ 80,720	28.00%	\$ 112,111	70%	\$ 78,478	\$ 40.87
	Health Promotion	\$ 80,720	28.00%	\$ 112,111	70%	\$ 78,478	\$ 40.87
	Comprehensive Transitional Care	\$ 80,720	28.00%	\$ 112,111	90%	\$ 100,900	\$ 52.55
	Individual and Family Support	\$ 80,720	28.00%	\$ 112,111	30%	\$ 33,633	\$ 17.52
	Referral to Community and Support Services	\$ 80,720	28.00%	\$ 112,111	30%	\$ 33,633	\$ 17.52
Social Workers							
	Comprehensive Care Management	\$ 54,890	28.00%	\$ 76,236	10%	\$ 7,624	\$ 3.97
	Care Coordination	\$ 54,890	28.00%	\$ 76,236	30%	\$ 22,871	\$ 11.91
	Health Promotion	\$ 54,890	28.00%	\$ 76,236	30%	\$ 22,871	\$ 11.91
	Comprehensive Transitional Care	\$ 54,890	28.00%	\$ 76,236	10%	\$ 7,624	\$ 3.97
	Individual and Family Support	\$ 54,890	28.00%	\$ 76,236	70%	\$ 53,365	\$ 27.79
	Referral to Community and Support Services	\$ 54,890	28.00%	\$ 76,236	70%	\$ 53,365	\$ 27.79
¹ Distribution of professionals between services. ² Assumes 48 working weeks in the year at 40 hours/week. This includes 10 days of paid time off and 10 Federal holidays.							

CC Health Home Cost per Visit/Hour

Service	Cost/Visit or Cost/Hour
Comprehensive Care Management	
<i>Cost/Visit</i>	\$ 125.00
<i>Cost/Hour</i>	\$ 56.52
Care Coordination	\$ 52.79
Health Promotion	
<i>Cost/Visit</i>	\$ 50.00
<i>Cost/Hour</i>	\$ 52.79
Comprehensive Transitional Care	
<i>Cost/Visit</i>	\$ 125.00
<i>Cost/Hour</i>	\$ 56.52
Individual and Family Support	\$ 45.31
Referral to Community and Support Services	\$ 45.31

Non-medical Loading (Administrative Costs)

- Measures the dollars associated with components such as administration, profit, IT, costs associated with electronic health records (EHR), and telephone calls as a percentage of the Health Home rate.

CC Home Health Rate Level	Non-Medical %	Non-Medical PMPM
Level 1	10.00%	\$ 10.83
Level 2	10.00%	\$ 14.26
Level 3	10.00%	\$ 20.85
Level 4	10.00%	\$ 42.13

CC Health Home PMPM Rate (7/1/14)

Level	Rate	Population Distribution
Level 1	\$ 108.31	54.95%
Level 2	\$ 142.61	19.05%
Level 3	\$ 208.46	22.70%
Level 4	\$ 421.25	3.29%
<i>Average</i>	\$ 147.89	

I/DD Target Case Management Providers

- MCOs and/or HHPs must include the targeted case management (TCM) provider as part of the Health Home team for any member who has an intellectual or developmental disability (I/DD).
- The MCO or the HHP must:
 1. Contract with the TCM provider if the I/DD member wishes to continue the relationship with that provider.
 2. Provide a minimum PMPM payment of \$137.32 to TCM providers serving I/DD Health Home members in the SMI Health Home.
 3. Provide a minimum PMPM payment of \$208.75 to TCM providers serving I/DD Health Home members in CC Health Homes.
 4. The TCM provider will be responsible for various components of the six core Health Homes services and these will be determined at the time the Health Action Plan is developed.

CC Health Home Rate Review

- The State and its actuaries will review the Health Home PMPM rate methodology six months after program implementation.
- At that time, the rates could be adjusted.
- After the six month rate evaluation, an annual review of the rates will be conducted.

Questions?

Contact Information

Melissa Warfield– KDHE

mwarfield@kdheks.gov

Leslie Banning – Amerigroup

KSHealthHome@amerigroup.com

Dr. Katherine Friedebach– Sunflower State Health Plan

KFRIEDEBACH@sunflowerstatehealth.com

Ben Pierce – United Healthcare

uhckshealthhomes@uhc.com

Save the Dates! *(All sessions 12-1 p.m.)*



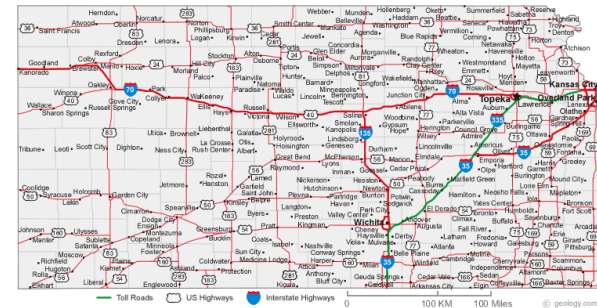
- Apr 22 – Health Action Plan: Step by Step
- Apr 29 – Health Information Technology Basics
- May 20 – TBD
- May 27 - TBD



Save the Dates! (Continued)

Regional In-person Meetings (part 1)

- Apr 2 – Hays – FHSU, Robbins Center
 - One Tiger Place, Hays KS 67601
- Apr 3 – Dodge City – Dodge House Hotel
 - 2408 W Wyatt Earp Blvd, Dodge City KS 67801
- Apr 4 – Wichita – Hughes Metropolitan Complex
 - 5015 E. 29th Street N, Wichita KS 67220



Save the Dates! (Continued)

Regional In-person Meetings (part 2)

- Apr 7 – Chanute – Memorial Building, Alliance Room
 - 101 S. Lincoln Chanute, KS 66720
- Apr 8 – Kansas City KS - George Meyn Hall
 - 126th and State Ave, Bonner Springs KS 66112
- Apr 9 – Topeka – Ramada Inn
 - 420 Southeast 6th Ave, Topeka KS 66607



Thank you for participating!

